



U.S. Department of Justice

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## **PRESS RELEASE**

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### **FOR IMMEDIATE RELEASE**

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### **Sports Manager and Accountant Charged in Multi-Count Indictment With Tax Evasion, Mortgage Fraud and Obstruction**

WASHINGTON - Nathan A. Peake, a sports manager, and Gregory L. McCormick, an accountant, both residents of Silver Spring, Maryland, have been indicted by a federal grand jury in a multi-count indictment accusing them of tax evasion and other charges.

The indictment, which was made public today, was announced by U.S. Attorney Ronald C. Machen Jr., Acting Assistant Attorney General John DiCicco of the Department of Justice's Tax Division, Rebecca A. Sparkman, Special Agent in Charge of the Washington D.C. Field Office of Internal Revenue Service-Criminal Investigation, D.C. Office of Tax and Revenue Deputy Chief Financial Officer Stephen M. Cordi, and Assistant Inspector General for Investigations Scott Berenberg, of the U.S. Department of Commerce Office of Inspector General.

The indictment was returned in the U.S. District Court for the District of Columbia.

According to the indictment, Peake has managed professional basketball players and boxers since 1999 under the business name Peake Management Group (PMG). McCormick, an accountant with the U.S. Department of Commerce, assisted Peake with his personal and business financial affairs.

Peake, 40, who did not file individual income tax returns for the years 2000 through 2007, has been charged with corruptly endeavoring to impede the IRS, income tax evasion, aiding and assisting in the preparation and presentment of false corporate tax returns, and D.C. tax evasion for evading PMG's franchise taxes. Between 2000 and 2007, Peake diverted approximately \$5,836,940 in management and agent fees from his business to personal bank accounts or commercial bank accounts that he controlled in names other than PMG.

For the 2000 through 2005 years, the indictment alleges that Peake did not include approximately \$3,750,063 as gross receipts on PMG's corporate returns. With respect to his personal taxes, the indictment alleges that Peake committed numerous affirmative acts of evasion,

including misappropriating proceeds from a \$3.5 million commercial line of credit that one of his clients guaranteed and ultimately paid off, paying himself and his wife out of those commercial bank accounts that he controlled in names other than PMG, using cash to pay personal and business expenses, withdrawing cash in amounts less than \$10,000 (an amount greater would have required banks to file currency transaction reports), and paying personal expenses with business receipts.

McCormick, 56, is charged with Peake in a conspiracy to commit bank and wire fraud, involving four mortgages that Peake obtained for his residence and a rental property in Bowie, Maryland. It is alleged that Peake, McCormick and others conspired to provide false information to several mortgage lenders over a nine-year period, regarding Peake's employment, income, rental receipts and obligations to the federal government. To verify his self-employment income, McCormick and an individual who worked for a broker fabricated a CPA letter with the name, CPA license number and signature of an actual CPA. This letter was presented on Peake's behalf on three occasions with slight changes to reflect updated information. Based upon this activity, the defendants were also charged with aggravated identity theft.

The indictment also includes a forfeiture allegation that seeks a money judgment for the full amount of the loan proceeds, more than \$2.8 million.

Finally, McCormick is charged with obstructing justice with respect to his conduct before the grand jury. Specifically, the indictment alleges that he made false statements to the government, testified falsely and failed to produce records requested by the grand jury.

The indictment also includes a forfeiture allegation that seeks a money judgment of more than \$2.8 million from the two defendants.

U.S. Attorney Machen, IRS Special Agent in Charge Sparkman, D.C. Deputy Chief Financial Officer Cordi and Assistant Inspector General Berenberg praised the efforts of the many individuals from the Internal Revenue Service-Criminal Investigation, District of Columbia Office of Tax and Revenue, and the Department of Commerce Office of the Inspector General who are investigating the case, as well as Assistant U.S. Attorney Susan Menzer and Department of Justice Trial Attorney Sean Delaney, who are prosecuting the matter.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.